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No. 97-44

IN THE

# Supreme Court of the United States

OCTOBER TERM, 1997

ROBERT DOMENICK and MAGNETIC RESONANCE PLUS, INC.,

*Petitioners,*

v.

FONAR CORPORATION,

*Respondent.*

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

## RESPONDENT'S BRIEF IN OPPOSITION

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## RESPONDENT'S BRIEF IN OPPOSITION

Pursuant to Rule 15 of this Court, respondent Fonar Corporation ("Fonar")[1] respectfully requests that this Court deny the petition for writ of certiorari filed by petitioners Robert Domenick and Magnetic Resonance Plus, Inc. (collectively, "MR Plus") seeking review of the Second Circuit's decision in this case. That decision is reported at 105 F.3d 99 (1997).

### Summary of Argument

The Second Circuit's decision correctly vacated the district court's erroneous application of established principles of copyright law to the facts of this case. Contrary to MR Plus's contention, the Second Circuit's decision does not create a conflict among the circuits. To the contrary, the Second Circuit's decision is in complete accord with decisions of this Court and other courts of appeals. In short, there is no reason whatsoever to review the Second Circuit's fact-bound, interlocutory decision, much less "compelling reasons" for granting a writ of certiorari. *See* SUP. CT. R. 10.

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[1] Fonar has no parent company and one nonwholly owned subsidiary, Advanced Medical Diagnostics Corporation.

This case involves a simple and straightforward claim of copyright infringement. Fonar alleges, and has substantial evidence tending to prove, that petitioners made comprehensive verbatim copies of Fonar's copyrighted computer software. In other words, the case involves strictly literal copying. As such, it raises none of the difficult issues that divided this Court in *Lotus Development Corp.* v. *Borland International, Inc.*, 116 S. Ct. 1062 (1996), or that were addressed in the Second Circuit's landmark decision in *Computer Associates International, Inc.* v. *Altai, Inc.*, 982 F.2d 693 (2d Cir. 1992). As with any garden variety case of copyright infringement, evidence that Fonar has a valid Copyright Registration on its computer software and that MR Plus made unauthorized copies of that computer software was sufficient to entitle Fonar to a trial on the merits of its copyright infringement claims. That is all the Second Circuit concluded.

None of the "questions presented" by MR Plus raises any issue worthy of this Court's attention. Instead, MR Plus attempts to generate false complexities in a routine reversal of an improper grant of summary judgment that has no significance beyond the particular facts of this case. The petition for writ of certiorari should be denied.

## REASONS WHY THE PETITION SHOULD BE DENIED

The Second Circuit's decision to vacate the district court's premature grant of summary judgment represented an uncomplicated application of the standards set forth in Rule 56 of the Federal Rules of Civil Procedure. In erroneously granting summary judgment, the district court ignored substantial evidence supporting the two necessary elements of Fonar's copyright infringement claims: (1) Fonar's ownership of a valid copyright in its computer software, and (2) MR Plus's verbatim copying of that computer software without authorization. *See Feist Publications, Inc.* v. *Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991). There being, at a bare minimum, triable

issues of fact on those two points, the Second Circuit correctly concluded that the district court erroneously granted summary judgment dismissing Fonar's copyright infringement claims.

The district court's error was predicated on a misreading of the Second Circuit's decision in *Fonar Corp.* v. *Deccaid Services, Inc.*, 983 F.2d 427 (2d Cir.), *cert. denied*, 510 U.S. 917 (1993), that had been vigorously advocated by petitioners. In *Deccaid*, the Second Circuit held that the definition of Fonar's copyrighted software in its complaint in that case, which had been incorporated by reference into the district court's temporary restraining order and preliminary injunction (in violation of Rule 65(d) of the Federal Rules of Civil Procedure), was insufficient to support a finding of contempt of that order. 983 F.2d at 429-30. As the Second Circuit panel below correctly held, the *Deccaid* decision has no application to this case, which does not concern the clarity of an injunction, but instead whether there are genuine issues of material fact requiring a trial. (*See* App. at 8-9.) Needless to say, certiorari should not be granted to review the Second Circuit's interpretation of its own *Deccaid* decision.

Having rejected the principal ground relied on by MR Plus in seeking summary judgment—which MR Plus has not attempted to resurrect in its petition for writ of certiorari—the Second Circuit correctly disposed of MR Plus's other arguments. As more fully described below, none of those subsidiary arguments merits this Court's attention.

## I. Certiorari Should Not Be Granted on MR Plus's First Question Presented.

MR Plus asserts that certiorari should be granted to resolve a purported "ambiguity" as to whether a copyright holder must identify the protectible elements of a computer program to avoid summary judgment on copyright infringement claims. As a preliminary matter, MR Plus never asserted to the district court that Fonar failed to identify the protectible

elements of its computer software, instead relying exclusively on the so-called "definitional" problem it claimed to derive from the *Deccaid* decision. The Second Circuit decision explicitly recognizes this, noting that MR Plus's motion was premised on the argument that "Fonar's vague definition of its software" merited dismissal of Fonar's copyright infringement claims on summary judgment. (App. at 12-13; *accord id.* at 10 (MR Plus has not raised "any substantive challenges to the copyrightability of Fonar's software").) Therefore, it is improper for MR Plus to seek to defend the district court's order on this basis. *See, e.g., United States v. United Continental Tuna Corp.*, 425 U.S. 164, 182 (1976).[2]

Even if MR Plus had raised the issue below, there would be no reason for this Court to address it. MR Plus relies exclusively on *dicta* in two cases discussing the "abstraction-filtration-comparison" test first articulated in *Computer Associates International, Inc.* v. *Altai, Inc.*, 982 F.2d 693 (2d Cir. 1992). But, as the court in *Altai* itself made clear, that test is designed to determine the existence of copyright infringement in cases involving *nonliteral* copying. *Id.* at 700-01 ("[w]hile [defendant] acted responsibly to correct [its] literal

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[2] Application of this rule is particularly appropriate in this case. If MR Plus had sought dismissal of Fonar's copyright infringement claims because Fonar did not specify the protectible elements of its computer software, Fonar could have opposed the motion by explaining that such specificity is not necessary in cases involving literal copying. *See* pp. 4-5, *infra*. Fonar could also have established that, with the exception of six modules referred to in the Copyright Registration, Fonar's computer software is an original work authored by Fonar's employees and therefore entitled to copyright protection. (*See* App. at 16.) Because MR Plus challenged only the *definition* of Fonar's computer software, Fonar (although not required to do so) sought to expand upon the definition contained in its complaint by submitting a complete list of the programs that make up that computer software. (*See id.* at 14.) MR Plus's assertion that Fonar never provided such a list of programs to the district court (Petition at 10, 12) is simply false. (*See* J.A. to 2d Cir. at 497, 500-02.)

copying of the [copyrighted] program, copyright infringement had occurred"); *accord Lotus Dev. Corp.* v. *Borland Int'l, Inc.*, 49 F.3d 807, 814-15 & n.8 (1st Cir. 1995) (*Altai* test, designed for nonliteral copying, should not be used in case involving literal copying "because literal similarity by definition is always a similarity as to the expression of ideas") (quoting 3 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.03[A](2) (1993)), *aff'd by an equally divided court*, 116 S. Ct. 1062 (1996). Indeed, MR Plus's own counsel has acknowledged this obvious proposition in a published article. Pamela T. Church & Ronald S. Katz, *New Case Complicates Proof of Infringement by Program Execution*, 13 No. 6 COMPUTER LAW. 10, 11 (1996) ("There was no issue [in *Altai*] as to whether [defendant's literal copy] infringed the copyright in [the plaintiff's copyrighted computer program]. It clearly did.").

MR Plus's reliance (Petition at 11-12) on *MiTek Holdings, Inc.* v. *Arce Engineering Co.*, 89 F.3d 1548, 1555 (11th Cir. 1996), and *Gates Rubber Co.* v. *Bando Chemical Industries*, 9 F.3d 823, 833 (10th Cir. 1993), is misplaced. Both of those cases involved nonliteral copying, *see MiTek*, 89 F.3d at 1555 n.15; *Gates*, 9 F.3d at 830-31, and thus the language relied on by MR Plus is merely *dicta*. MR Plus has not identified a single decision applying the abstraction-filtration-comparison test in a case where, as here, literal copying is alleged. Indeed, given the substantial evidence that MR Plus copied Fonar's copyrighted computer software in is entirety (much like an author contending that his or her book has been photocopied from cover to cover), there is even less reason to require identification of the protectible elements of the software. *See Triad Sys. Corp.* v. *Southeastern Express Co.*, 64 F.3d 1330, 1335 (9th Cir. 1995) (where defendant copied entire computer program, "there is no doubt that protected elements of the software were copied"), *cert. denied*, 115 S. Ct. 1015 (1996); *Lotus*, 49 F.3d at 814-15 & n.8; RAYMOND

T. NIMMER, LAW OF COMPUTER TECHNOLOGY ¶ 1.03[4], at 1-21 (2d ed. 1992).

In any event, even the *dicta* in *MiTek* and *Gates* fail to support the position advocated by MR Plus. There is no suggestion in those cases, or any others relied on by MR Plus, that a copyright holder is required to identify the protectible elements of its computer software to avoid dismissal of copyright infringement claims on summary judgment. Both decisions relied on by MR Plus were handed down after a trial or hearing at which the district court was able to determine whether copyright infringement had been *proven* as a factual matter. *MiTek*, 89 F.3d at 1550; *Gates*, 9 F.3d at 831. As the Second Circuit explained, "MR Plus has presented no evidence that Fonar's software is entirely unoriginal or that it has been copied from another program." (App. at 12.) Given the absence of such evidence, there was nothing to rebut the presumption that the computer software covered by Fonar's Copyright Registration is an original work authored by Fonar employees. (*See id.* at 16.) At a bare minimum, there was a triable issue of fact as to whether Fonar's computer software is entitled to copyright protection. *See* FED. R. CIV. P. 56.

## II. Certiorari Should Not Be Granted on MR Plus's Second Question Presented.

MR Plus next contends that certiorari should be granted to resolve a purported conflict between the circuits over whether actions of the Copyright Office are reviewable by the courts. Contrary to MR Plus's assertion, there is no such "conflict." The Second Circuit decision below is consistent with a long line of authority that accords great deference to the Copyright Office—like any other regulatory agency—in the discharge of its statutory duties.

The Second Circuit rejected MR Plus's arguments that Fonar was not entitled to the presumption of validity that attaches to any Copyright Registration. (App. at 12-16.) The

Second Circuit explained that MR Plus's challenges to "formal inadequacies" in that Copyright Registration (*id.* at 13) did not rebut the presumption for two separate and independent reasons: (1) MR Plus had not alleged the fraud or misrepresentation that would be necessary to overcome the presumption; and (2) Fonar had in any event satisfied the formal requirements for obtaining the Copyright Registration. (*Id.* at 16.)

MR Plus asserts that, in reaching the second conclusion, the Second Circuit did not review the Copyright Office's decision as to whether Fonar should have registered its computer software as a collection rather than as a single work. What MR Plus fails to inform this Court, however, is that the Second Circuit expressly *held* that, even if Fonar had registered its computer software as a collection, the requirements for such a registration had been met. (*Id.*) Since that determination has not been challenged by MR Plus, its petition for writ of certiorari should be denied on that basis alone. *See Izumi Seimitsu Kogyo Kabushiki Kaisha* v. *U.S. Philips Corp.*, 510 U.S. 27 (1993).

Even if MR Plus's second question presented were properly before the Court, there would still be no occasion for this Court to review the Second Circuit's decision, which was fully in accord with a long line of authority from both this Court and several courts of appeals.

It is important to note that MR Plus does not assert that the Copyright Office acted in contravention of any statute. Indeed, Congress has explicitly permitted the Copyright Office to make determinations regarding the "administrative classification" of works "by regulation." 17 U.S.C. § 408(c) (1994). Because it was merely applying its own regulations, the action of the Copyright Office must be accepted unless "an alternative reading is compelled by the regulation's plain language or by other indications of the [regulator's] intent at the time of regulation's promulgation." *Thomas Jefferson Univ.* v. *Shalala*, 512 U.S. 504, 512 (1994) (internal quotation omit-

ted); *accord Esquire, Inc.* v. *Ringer*, 591 F.2d 796, 801 (D.C. Cir. 1978) ("Considerable weight is to be given to [the Copyright Office's] interpretation of its regulations."), *cert. denied*, 440 U.S. 908 (1979).

Even the cases on which MR Plus relies acknowledge that actions of the Copyright Office are entitled to deference unless they are "arbitrary," "capricious" or "an abuse of discretion." *Atari Games Corp.* v. *Oman*, 888 F.2d 878, 879, 881 (D.C. Cir. 1989) (Ginsberg, J.); *John Muller & Co.* v. *New York Arrows Soccer Team, Inc.*, 802 F.2d 989, 990 (8th Cir. 1986); *Grundberg* v. *Upjohn Co.*, 137 F.R.D. 372, 385 (D. Utah 1991).

There is no plausible basis to argue that the Second Circuit accorded the Copyright Office wider latitude than was appropriate. The Second Circuit explained that it found "no indication in the copyright law or caselaw that computer software composed of multiple interacting modules must be registered as a collection, and not as a single work." (App. at 15.) It further explained that the Copyright Office's determination could easily be justified on the grounds that (1) the subprograms that comprise Fonar's computer software interact to "accomplish the ultimate function or purpose of the program," and (2) depositing source code for each subprogram "would impose burdens on Fonar and on the resources of the Copyright Office that the Copyright Office may deem unnecessary or excessive." (*Id.* at 14-15.) Those justifications are a more than sufficient basis to defer to an agency's application of its own regulations. *See Thomas Jefferson Univ.*, 512 U.S. at 512.

Finally, even if Fonar could fairly be denied the presumption of validity attaching to the Copyright Registration issued by the Copyright Office, MR Plus did not contest the copyrightability of Fonar's computer software. (App. at 10, 12-13.) Based on the evidence in the record, the Second Circuit had a more than adequate basis for concluding that there were at

least genuine issues of material fact concerning the copyrightability of Fonar's computer software that precluded the grant of summary judgment. (*See id.* at 16 ("Fonar presented . . . an affidavit from the principal designer of the maintenance software, attesting to the originality of the software").)

## III. Certiorari Should Not Be Granted on MR Plus's Third Question Presented.

MR Plus also argues that this Court should grant certiorari to review the Second Circuit's supposed failure to invoke the doctrine of judicial estoppel. This argument is a complete red herring.

First, Fonar did not take the position in the district court that its computer software had been filed as a collection, as the Second Circuit recognized. (App. at 15 ("The face of the registration in no way indicates that the software was filed as a collection; and the affidavit of the program's designer states that the three modules of the software are considered a *single work* . . . ." (Emphasis added)).) There is no reason for this Court to reach a contrary conclusion.

Second, even if Fonar could somehow be "estopped" from asserting its software had not been filed as a collection, the Second Circuit explicitly found that Fonar had satisfied the registration requirements for a collection in any event. (*See id.* at 14.) There is thus no reason to reach MR Plus's third question presented, even if it had merit. *See Izumi*, 510 U.S. at 28-34.

## Conclusion

For the foregoing reasons, MR Plus's petition for writ of certiorari should be denied.

Respectfully submitted,

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